GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3096
ANSWERED ON:20.03.2008
REDUCTION IN THE PRICES OF MEDICINES
Patle Shri Shishupal Natthu;Pingle Shri Devidas Anandrao

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the prices of medicines falling under National Pharmaceuticals Pricing Authority (NPPA) have been reduced after reduction in excise duty in the country;

(b) if so, the details thereof;

(c) whether any notification has been issued by the NPPA in this regard;

(d) if so, the details thereof;

(e) the total percentage of likely reduction in the prices of medicines;

(f) whether the prices are likely to be fixed uniformly in all the states; and

(g) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARTLIAMENTARY AFFIRS(SHRI B.K. HANDIQUE)

(a) to (g) : Consequent to reduction in excise duty vide Notification No. 4/2008-CE dated the 1st March, 2008 from 16% to 8% and reduction of abatement from 42.5% to 35.5% vide Notification No. 14/2008-CE(NT) dated the 1st March, 2008 of the Government of India in the Ministry of Finance (Department of Revenue), NPPA vide S.O. NO. 418(E) dated the 3rd March, 2008 revised the equivalent Maximum Retail Price (inclusive of all taxes) of all Scheduled formulation packs downwards by 4.58%.

With respect to non-Scheduled formulations NPPA vide Guidelines No.2/2008 dated the 10th March, 2008 advised all the manufacturers and marketing companies to ensure the reduction of MRP (inclusive of all taxes) by 4.58% consequent to the reduction in Excise Duty.

The new MRP would be uniformly applicable in all the States, wherever the excise duty has actually been paid to the Government.

S.O. NO. 418(E) dated the 3rd March, 2008 and Guidelines No. 2/2008 dated the 10th March, 2008 are available at NPPA's website www.nppaindia.nic.in.

F. No. 1/8/08 -PI.I
GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF CHEMICALS AND PETROCHEMICALS
(PI-1 Desk)

Subject: Lok Sabha USQ. No. 3096 for answer on 20.3.2008 regarding Reduction in the Prices of Medicines.

This relates to Lok Sabha USQ. No. 3096 for answer on 20.3.2008 regarding Reduction in the Prices of Medicines asked by SHRI SHISHUPAL N. PATLE & SHRI DEVIDAS PINGLE.The question seeks information as to whether the prices of medicines falling under National Pharmaceuticals Pricing Authority (NPPA) have been reduced after reduction in excise duty in the country; if so, the details thereof; whether any notification has been issued by the NPPA in this regard; if so, the details thereof; the total percentage of likely reduction in the prices of medicines; whether the prices are likely to be fixed uniformly in all the states; and if so, the details thereof.

Information received from the NPPA is placed at pages 8-11/c.

Based on that information a draft reply to parts (a) to (g of the question has been attempted and submitted for kind consideration/approval of Hon'ble Minister of State (C&F&PA).

(J.S. SIDHU)
UNDER SECRETARY (PI)
17.3.2008
DEPUTY SECRETARY (PI)